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For Immediate Release
January 19, 2006

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Senate approves legislation to bolster economy

LANSING – The Michigan Senate passed a series of initiatives Thursday that will jumpstart Michigan's economy and protect taxpayer interests, said Sen. Jud Gilbert, R-Algonac.

The legislation establishes taxpayer fairness, stimulates the economy by increasing job creation and innovation, and helps prepare Michigan for economic uncertainty.

"With Michigan's unemployment rate much higher than the national average, we need to do everything we can to keep businesses in Michigan and entice them to locate here," Gilbert said. "Reducing unnecessary taxes and regulations is the first step toward economic recovery."

Senate Bill 957 will cut taxes in half for more than 30,000 Michigan job providers by reducing the alternative Single Business Tax rate from 2 percent to 1 percent. The bill will provide \$30 million in tax relief to small businesses in calendar year 2006.

A package of House bills will establish protections against onerous regulations by the Michigan Department of Treasury. Provisions in the legislation include:

- Protection from retroactive regulations issued by the Michigan Department of Treasury;
- Requirement that auditors inform taxpayers of refund opportunities that are discovered during an audit;
- Allowance for taxpayers to claim a credit amount as an offset against a debit amount identified during an audit; and
- Taxpayers' right to an informal conference if the Michigan Department of Treasury issues a credit audit, a refund denial or a denial of a consolidation request.

Approximately two out of every three new jobs are created by small firms. In Michigan small businesses have been almost solely responsible for job creation during the past several years as the auto industry continues to restructure.

"Small business is the key to enhancing Michigan's economy," Gilbert said. "We need to do anything we can to help these hardworking entrepreneurs."

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